

**Petriman, Viorica**

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**From:** Petriman, Viorica  
**Sent:** Monday, August 18, 2014 9:06 AM  
**To:** Steven Riva  
**Subject:** Updated Summary-Greenidge  
**Attachments:** 8-18-Updated-Summary- GREENIDGE Reactivation.docx

Steve:

I have updated/revised the Greenidge's Summary based on the new documents included in the Earth Justice's Submittal. The text in red of updated/revised Summary (Attached) represents the new documents I added. Anyway I am only sending you the pages of the Summary that were revised, and also the General Information Section.

# Summary-PSD Applicability Analysis Greenidge Generating Station Reactivation

(Updated) 8/18/2014

## A. GENERAL INFORMATION

### 1. Description of Facility

Greenidge Generating Station (Greenidge or the facility) is a coal-fired electric generating unit, which is located in Dresden, Yates County, New York, on a 153-acre site on the western shore of Seneca Lake. The facility's emissions sources (or emission units) consist of: (1) a vintage 1953 tangentially-fired dry bottom pulverized coal-fired boiler (identified as emission unit (EU) # 4 or Unit 4), rated at 1,117 million British Thermal Units (MMBTU) per hour ( MMBTU/hr) as maximum heat input, and 109 megawatts (MW) gross power output (101 MW net power output); and (2) other emission units (solid fuel handling system, ash handling system, lime hydrating system, aqueous urea system urea system, insignificant combustion sources, etc.,).

### 2. Air Pollution Controls

The air pollution controls consist of selective catalytic reduction system (SCR), selective non-catalytic reduction system (SNCR) (for the control of NO<sub>x</sub> emissions), dry-scrubber (for the control of SO<sub>2</sub> emissions, and acid gases), activated carbon injection (for the control of mercury emissions), and baghouse (for the control of particulates emissions). These pollution controls were installed at the facility in 2006 as part of the U.S. Department of Energy (DOE) Clean Coal Technology Program. These pollution controls became fully operational on December 2007. The facility will employ continuous emission monitoring system (CEMS) to measure NO<sub>x</sub>, SO<sub>2</sub>, and PM emissions.

### 3. Fuels for the coal-fired boiler

Greenidge would be allowed to use the following fuels: coal (bituminous and sub-bituminous), as the primary fuel), fuel oil #2, diesel and kerosene, as startup and flame stabilization fuel, waste oil, unadulterated wood, waste wood from the laminated board furniture manufacturing processes, as supplemental fuels, and natural gas (when operating in gas reburn mode). Please note that these fuels were also authorized for use before the facility entering the protective lay-up.

### 4. Major Source Status

The facility has a potential to emit (PTE) that exceeds the applicable major source threshold. However, based on the NYSDEC (DEC)'s information, thus far, no PSD or Nonattainment NSR (NNSR) permit was issued to Greenidge. The area surrounding Greenidge is considered attainment for all criteria pollutants, except for ozone.

### 5. Permitting History

The last title V permit (Permit ID: 8-5736-00004-00013) was issued by DEC to Greenidge on November 5, 2007. This permit was terminated by DEC, at the facility's request, on November 28, 2012.

**B. FACTUAL BACKGROUND: ATLAS (GREENIDGE'S NEW OWNER) DOCUMENTS RELATED TO THE NNSR/PSD APPLICABILITY TO REACTIVATION OF GREENIDGE AND TITLE V APPLICATION AND FROM THE EARTH JUSTICE'S DOCUMENTS**

- On September 17, 2010, AES EE2, LLC (AEE2), the owner of Greenidge at that time, wrote to New York Independent System Operator (NYISO) that it would be shutting down (i.e., placing the facility in temporary protective lay-up) Greenidge beginning March 18, 2011.
- According to the documents provided to DEC, and AEE2's statements in the media Greenidge was placed in a temporary protective lay-up because it was not competitive enough, the market forecast showed that, at least for the next couple of years, Greenidge would not be competitive, and the facility was operating at net loss. The reasons for non-competitiveness, given by the AEE2, were: (1) high cost of coal; (2) low cost of natural gas; and (3) low demand of demand of electricity.
- At the time of announcing the shutdown, in September 17, 2010, AEE2 stated that intends to take all steps within their control to avoid permanently shutting down. Additionally, AEE2 stated that would explore any alternatives within its suppliers, and explore ways to reduce its costs. AEE2's management publicized, to the media, its desire to resume operations at the facility.
- On March 18, 2011, the Greenidge coal-fired boiler (Unit 4) was taken off line.
- On December 30, 2011, AEE2 filed Chapter 11 bankruptcy protection.
- On September 18, 2012, AEE2 notified the New York Public Service Commission (PUC), NYISO, and New York Electric and Gas Corporation (NYSEG) that intends to permanently retire Greenidge on September 21, 2012 and soon thereafter to transfer Greenidge to a salvage company to dismantle and salvage Greenidge.
- On September 19, 2012, AEE2 filed a motion with the US Bankruptcy Court seeking authorization to sell Greenidge (and other facilities in NY) to GMMM Holdings (GMMM). In this motion, AEE2 stated that GMMM intends to permanently retire Greenidge, and to salvage and scrap equipment, and demolish the buildings, and eventually redevelop the site.
- On October 4, 2012, AEE2, in its declaration supporting seeking the authorization of the US Bankruptcy Court to sell Greenidge, stated that [while in a long-term protective lay-up status since March 2011] after extended marketing process, AEE2 received no credible proposals for acquisition of Greenidge as operating power plant. AEE2 concluded that the highest and best value for the non-operating facility (Greenidge) would be a transaction to sell it for salvage, scrap, and redevelopment value.
- On October 10, 2012, AEE2 entered into an Asset Purchase Agreement (APA) to sell Greenidge to GMMM. The APA between AEE2 and GMMM conditioned the sale of the Greenidge on the termination of the title V air permit, and the CAA Consent Decree dated

January 11, 2005. The 2005 Consent Decree required AEE2 to control SO<sub>2</sub> and NO<sub>x</sub> emissions resulting from Greenidge coal fired boiler (U4).

- On October 11, 2012, the US Bankruptcy Court issued an Order approving the sale of Greenidge (and other facilities in NY) to GMMM) for \$ 2.25 million. This US Bankruptcy Court's order indicates that the Court in approving the sale of Greenidge has relied on the AEE2's October 4, 2012 declaration (see description above).
- On November 19, 2012, AEE2 sent an e-mail to DEC related to the transfer of the Greenidge's water permits from AEE2 to GMMM. In this letter, AEE2 stated that: (1) it entered an APA with GMMM, and GMMM plans to demolish and scrap Greenidge; and (2) GMMM wants to modify the water permits in order to reflect the fact that Greenidge is no longer operating.
- On November 28, 2012, AEE2 wrote to DEC informing that they entered into an APA with GMMM to sell Greenidge and requested the surrender the title IV and V air permits for Greenidge. In this letter, AEE2 stated that GMMM intends to salvage and scrap Greenidge, so that Greenidge will no longer be capable of operating or emitting air pollutants. Additionally, AEE2 stated that APA is conditioned on the termination of the title IV and V air permits for Greenidge, and requested that DEC promptly terminate the permits and GMMM intends to permanently shutdown Greenidge.
- On December 18, 2012, the US District Court for Western District of New York signed a stipulation and order to terminate the CAA Consent Decree dated January 11, 2005. The preamble to the order states that, "Greenidge is no longer operating and has been permanently retired", and GMMM, the purchases of Greenidge "intends to salvage and scrap" Greenidge, so that Greenidge "will no longer be capable of operating or emitting pollutants". In addition, the preamble to the order states that the consent decree is terminated upon approval by the court and surrender of title V permit.
- On December 19, 2012, DEC wrote to AEE2 informing that DEC accepts the AEE2's request to terminate Greenidge title IV and V permits. DEC states that its letter is in response to the AEE2's letter dated November 28, 2012 regarding the permanent shutdown and pending demolition of Greenidge.
- On December 28, 2012, GMMM purchased Greenidge from AEE2.
- On January 22, 2013, Atlas Holdings LLC (Atlas), a potential buyer of Greenidge at that time, contacted DEC, via phone, to discuss the re-issuance of air permit to Greenidge so that Atlas could reactivate the facility.
- On January 24, 2013, GMMM wrote to DEC requesting to rescind AEE2's surrender of the facility's title IV and V air permits, and to approve the transfer of these permits from AEE2 to GMMM. In this letter, GMMM mentions that DEC has approved the transfer of the Greenidge's water permits from AEE2 to GMMM, and, in connection with that transfer, "it was contemplated that Greenidge was being purchased for scrap and salvage only, and there

was no thought of reopening the facility for operation. Further, GMMM explains that this was the reason why AEE2, on November 28, 2012, requested the termination of the Greenidge's air permits. Additionally, GMMM stated that subsequent to the acquisition of Greenidge, GMMM discovered that there is substantial interest to reopen Greenidge as an operating facility.

- On January 30, 2013, DEC wrote to GMMM stating that the air permits for Greenidge cannot be rescinded. DEC stated, "If any entity wishes to operate air emission sources at Greenidge, they will need to file new title IV and V permit applications with the Department."
- On March 14, 2013, Atlas [Atlas was not the owner of Greenidge at the time of this letter] wrote to DEC, that is finalizing the purchase of Greenidge, from GMMM, and that they plan to restart the facility. Additionally, Atlas requested a NNSR/PSD inapplicability determination for the reactivation of Greenidge, and submitted its own determination that NNSR/PSD is not applicable to the Greenidge reactivation.
- On February 28, 2014, Atlas acquired Greenidge from GMMM
- On April 1, 2014, Atlas wrote to DEC to inform that it purchased Greenidge from GMMM. Atlas requested: (1) NNSR/PSD inapplicability determination for the reactivation of Greenidge, and submitted its own determination that NNSR/PSD is not applicable to the Greenidge reactivation; (2) issuance of a new title V operating permit; and (3) provided a schedule for submitting its new title V application to DEC.
- On May 16, 2014, Atlas submitted the title V application for Greenidge to DEC, and requested again a NNSR/PSD inapplicability determination for the reactivation of Greenidge. Atlas also submitted its own determination that NNSR/PSD is not applicable to the Greenidge reactivation.

**C. EPA ANALYSIS OF THE FACTS AND CIRCUMSTANCES OF THE GREENIDGE SHUTDWON UNDER EPA's REACTIVATION POLICY AND GUIDANCE**

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EPA analyzed the facts and circumstances of the Greenidge's shutdown, as they presented by the documents submitted by Atlas and Earth Justice (See B. above).

Based on the EPA's Reactivation Policy and guidance, reactivation of a permanently shutdown facility should be treated as operation of a new source for the purposes of PSD review. EPA evaluates the permanence of shutdowns by examining the following factors: a) Duration of shutdown; b) Reason for shutdown; c) Intent of Owner; d) Cost and time needed to Restart; e) Status of Permits and State Emissions Inventory; and f) Ongoing Maintenance at the facility during shutdown.

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